

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2019

Docket No. ACR2019

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 3-5 OF CHAIRMAN'S INFORMATION REQUEST NO. 13

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 13, issued on February 11, 2020. Each question is stated verbatim and followed by the response. Responses to Questions 1-2 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

3. As part of its mitigation plan to reduce the Work In Process cycle time for flat-shaped USPS Marketing Mail and Periodicals in FY 2019, the Postal Service stated that it would recertify facilities in Lean Mail Processing and focus on First-In-First-Out (FIFO) discipline. See Docket No. ACR2018, January 11 Responses to CHIR No. 1, question 18.
- a. Please report on the progress and efficacy of this planned initiative in FY 2019. In the response, please specify how many facilities were recertified in each of the seven Postal Service Administrative Areas in FY 2019 and how recertification affected FY 2019 service performance results.
  - b. Please confirm the Postal Service plans to continue this recertification initiative in FY 2020. If confirmed, please specify how many facilities are planned for recertification in each of the seven Postal Service Administrative Areas in FY 2020. If not confirmed, please explain.

**RESPONSE:**

- a. In FY 2019, all Areas completed a Lean Mail Processing (LMP) assessment in their mail processing plants. The assessment included the evaluation and usage of FIFO lanes and mail flow management. The numbers of plants that completed the assessment in each of the Areas are shown in the table below. Service performance for Marketing Mail Flats and Periodicals improved between FY 2018 and FY 2019; however, the improvement in service performance cannot be directly or fully attributed to the assessment performed.

<b>Area</b>	<b>No. of Plants Assessed</b>
Capital Metro	27
Eastern	17
Great Lakes	36

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

Northeast	25
Pacific	10
Southern	54
Western	61

b. Not confirmed. At the present time there are no plans to reissue the certification process in FY 2020. Other tools have been provided to the field in FY 2020 that are designed to help improve cycle time for flat-shaped USPS Marketing Mail and Periodicals. In October 2019, a Processing Operations Management Order (POMO) was issued to the field providing updated Standard Work Instructions for the handling and processing of Periodicals. In January 2020, a POMO was issued providing specific guidelines for the Network Distribution Centers on policies and procedures associated with the National Color Code Policy for Marketing Mail. These POMOs guide the field in reducing the cycle time by complying with FIFO and mail flow procedures for Periodicals and flat-shaped Marketing Mail. For each POMO issued, the Postal Service requires plant managers to certify that the POMO was issued to their employees; the Postal Service then monitors that all have been certified. Further, with respect to the objectives of the POMOs, the Postal Service also monitors the top opportunity impacts and confers with the leadership in each Area to mitigate failures.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

4. As part of its mitigation plan to address service performance for USPS Marketing Mail and Periodicals in FY 2019, the Postal Service stated that “[t]raining will occur in FY 2019 to ensure all management employees understand the FIFO method of mail management.” Docket No. ACR2018, January 11 Responses to CHIR No. 1, questions 35, 39.
- a. Please report on the progress and efficacy of this planned initiative in FY 2019. In the response, please specify how many management employees received FIFO training in each of the seven Postal Service Administrative Areas in FY 2019, how many management employees did not receive FIFO training in each of the seven Postal Service Administrative Areas in FY 2019, and how FIFO training of management employees affected FY 2019 service performance results.
  - b. Please confirm the Postal Service plans to continue this FIFO training initiative in FY 2020. If confirmed, please specify how many management employees are planned to receive FIFO training in each of the seven Postal Service Administrative Areas in FY 2020. If not confirmed, please explain.

**RESPONSE:**

- a. As discussed in the response to Question no. 3 in this set, the LMP assessment included the evaluation and usage of FIFO lanes and mail flow management.  
  
For FY 2019, the Postal Service did not deliver training specifically to address FIFO processing. The Postal Service did, however, endeavor to reduce Work in Process and improve service performance using a new visualization tool called the Grid, as discussed in the Section e.9 Narratives document submitted as part of the Paragraph (e) -- Pinch Point Reports in USPS-FY19-45.
- b. Not confirmed. The Postal Service continues to utilize the Grid concept as well as other report tools in Informed Visibility to identify and assist sites which have consistently high volumes of failures and low scores.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

5. As part of its mitigation plan to address service performance for Periodicals in FY 2019, the Postal Service stated that quarterly audits would be performed to ensure sort programs for Periodicals align with the labeling list.<sup>2</sup>
- a. Please confirm quarterly audits were performed as planned in FY 2019.
  - b. If part a of this question is confirmed, please indicate how auditing affected FY 2019 service performance results and whether any sort programs were realigned as a result of the audits.
  - c. If part a of this question is not confirmed, please explain.
  - d. Please confirm quarterly audits are planned for FY 2020.
  - e. If part d of this question is confirmed, please indicate how auditing is expected to improve FY 2020 service performance results.
  - f. If part d of this question is not confirmed, please explain.

**RESPONSE:**

- a. Not confirmed.
- b. N/A
- c. Due to changes in leadership and reprioritization of objectives, such quarterly audits were not performed.
- d. Not confirmed.
- e. N/A
- f. Quarterly audits are not currently scheduled. However, in October 2019, a Processing Operations Management Order (POMO) was issued to the field. The POMO provided updated Standard Work Instructions for the handling and

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<sup>2</sup> Docket No. ACR2018, Library Reference USPS-FY18-29, December 28, 2018, file "FY18-29 Service Performance Report.pdf," at 16.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

processing of Periodicals, including the review and instruction for the sortation of mail based on the Periodicals labeling lists. For each POMO issued, the Postal Service requires plant managers to certify that the POMO was issued to their employees; the Postal Service then monitors that all have been certified. Further, with respect to the objectives of the POMOs, the Postal Service also monitors the top opportunity impacts and confers with the leadership in each Area to mitigate failures. The Postal Services continues to place emphasis on improved service performance for all flat shaped processing.